

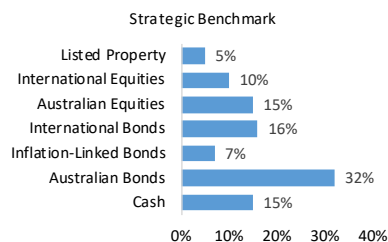
Fund description

The Fiducian Capital Stable Fund has a large allocation to fixed income assets and cash, and also includes some exposure to equities for longer term performance. The fund is diversified between multiple asset classes and countries, utilising the Fiducian “Manager the Manager” system that aims to achieve superior returns with reduced risk.

The Fund is suitable for investors who are relatively conservative but are prepared to take some level of market risk to achieve modest capital growth in addition to a relatively high level of income. The recommended holding period is at least 2 to 3 years.

Fund facts

Portfolio manager: Conrad Burge
ARSN: 093 542 879
APIR code: FPS0002AU
Benchmark: Morningstar Multisector Moderate Median
Current fund size: \$457 million (December 2022)
Management cost: 0.76%
Total management costs: 0.82%
Application/Exit fee: Nil
Inception Date: March 1997



Performance and Risk

After fee returns as at 31 December 2022

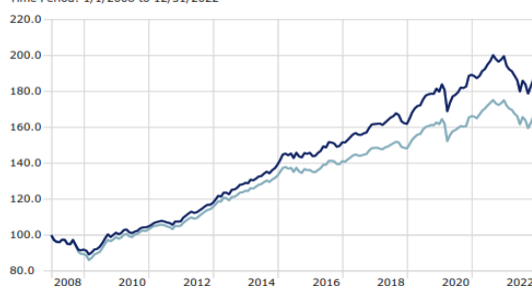
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.0%	2.3%	1.6%	-8.3%	0.6%	2.5%	3.3%	4.5%
Index	-1.6%	2.4%	1.1%	-7.0%	0.3%	1.9%	2.7%	3.7%
Excess	-0.4%	0.0%	0.5%	-1.3%	0.3%	0.6%	0.6%	0.8%
Ranking				73/105	33/102	19/95	17/89	9/85

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	7.1%	6.9%	5.8%	4.7%
Benchmark (Std Dev %)	5.7%	5.8%	4.8%	4.0%
Beta	1.05	1.04	1.04	1.02
Tracking Error (% pa)	1.7%	1.5%	1.3%	1.1%

Investment Growth

Time Period: 1/1/2008 to 12/31/2022

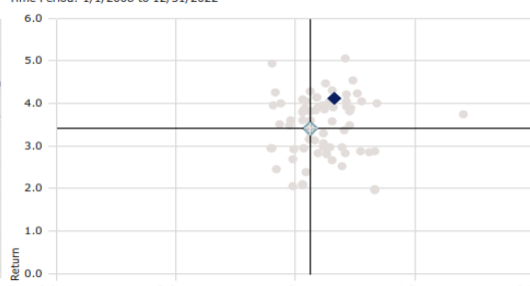


—Fiducian Capital Stable

—Australia Fund Multisector Moderate

Risk-Reward

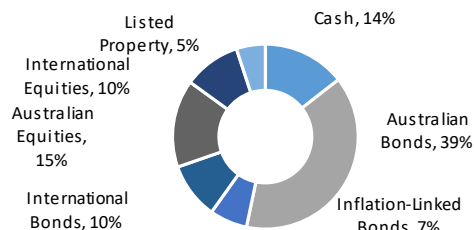
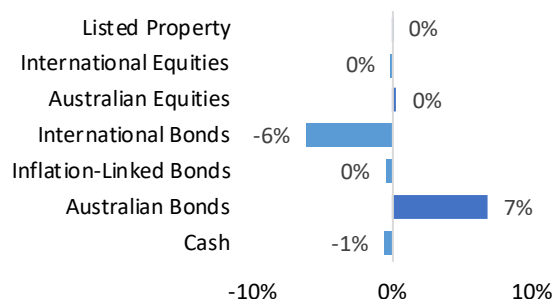
Time Period: 1/1/2008 to 12/31/2022



• Fiducian Capital Stable

◆ Australia Fund Multisector Moderate

Tactical tilts and current asset weights



Market Commentary and Outlook

The effectiveness of monetary policy tightening by global central banks was apparent in December, with evidence that inflation rates now appear to be moderating. A broad slowdown in economic activity is also spreading, with measures of manufacturing activity, housing market performance and consumer confidence all declining. The US central bank indicated during the month that interest rates may need to be lifted higher than previously forecast to bring inflation back into its target range.

This negative outlook resulted in weakness across most financial markets in December. The broad US market (S&P 500) declined by 5.9%, European equities were 3.5% lower, and the Australian market (ASX 200) declined by 3.2%. Bond yields moved higher, leading to negative returns for fixed income assets as well. For calendar year 2022, the US market returned -19.5%, with most other global market returns in the range of -10% to -20%. The Australian market performed much better recording a decline of only 1.1%, assisted by strong returns in the energy and materials sectors. The US Treasury 10-year bond yield rose strongly over the year from 1.5% to 2.8% by the end of the year.

Looking ahead, elevated geopolitical risks, alongside the likelihood of higher interest rates and slower economic growth this year, represent potential headwinds to markets, with the International Monetary Fund recently downgrading global growth expectations again for 2023. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund underperformed the benchmark in December, with a return of -2.0%, compared to the benchmark return of -1.6%. Over the year to the end of December, the Fund returned -8.3%.

All major asset classes finished the month lower, as the global economy continued to show signs of slowing on the back of tightened monetary policy. For the 2022 calendar year, International Equities and Property recorded the largest declines, and bonds also generated negative returns due to rising interest rates. Australian Equities and Cash were the best performers.

The Fund currently has a neutral exposure to Australian and International equities, as relatively attractive valuations are offset by rising interest rates and geopolitical tensions. Additionally, an overweight position is held in some lower risk domestic fixed income.

In the Morningstar Multisector Moderate Category, the Fiducian Capital Stable Fund returns were ranked 73rd out of 105 funds over one year, 19th out of 95 funds over five years, and 9th out of 85 funds over the ten year period to 31 December 2022.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 15.1%	Solaris	2.6%
	Fidelity	2.5%
	Benelong	2.3%
	L1 Capital	2.9%
	Ausbil Dexia	3.1%
	Pendal	1.8%
International Equities 9.6%	Franklin Templeton	2.5%
	Challenger	2.7%
	Wellington GRE	1.3%
	Wellington Value	1.9%
	State Bank of India	0.1%
	Sundaram	0.2%
	Tata	0.1%
	EquiPoise	0.0%
	Vanguard	0.3%
	Wellington Technology	0.3%
	Wellington Biotechnology	0.1%
	Nordic Technology	0.1%
Listed Property 4.9%	BlackRock	0.5%
	Phoenix	2.4%
	Principal	2.0%
Australian Bonds 38.2%	Perpetual Fixed Interest	10.4%
	BlackRock	0.3%
	Challenger	27.4%
Inflation Linked Bonds 6.6%	Challenger	6.6%
International Bonds 9.8%	BlackRock	9.8%
	BlackRock	0.3%
Cash 15.8%	BlackRock	0.3%
	Cash	15.5%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	10.0%
CSL Limited	Biotechnology	8.9%
Commonwealth Bank	Diversified Banks	5.5%
National Australia Bank	Diversified Banks	4.5%
Santos Limited	Oil & Gas	3.2%
Telstra Group Limited	Telecommunication Services	2.9%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Qantas Airways Ltd	Airlines	2.6%
Qbe Insurance Group	Insurance	2.3%
Rio Tinto Ltd	Diversified Metals & Mining	2.2%

Top International Stocks	Industry	Weight
Seagen Inc	Biotechnology	1.9%
Intuitive Surgical Inc	Health Care Equipment	1.7%
HDFC Bank	Diversified Banks	1.7%
Humana Incorporated	Managed Health Care	1.7%
Visa Incorporated	Data Services	1.6%
Danaher Corp	Life Sciences Tools	1.6%
Synopsys Inc	Application Software	1.5%
Charles River Lab	Life Sciences Tools	1.5%
Costar Group Inc	Research & Consulting	1.4%
Rockwell Automation Inc	Electrical Equipment	1.4%

Fiducian Investment Management Services Limited

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The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.

The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 09.1.2023 © 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc. without reference to your objectives, financial situation or needs. For more information, refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.